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## Strongarming The Congressional Budget Office

by [Pejman Yousefzadeh](#)

[Peter Suderman](#) has an invaluable article showing us why we ought to look with a great deal of skepticism at CBO scores that are favorable to Democratic health care reform plans:

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Over the summer, some of the biggest setbacks faced by Congressional Democrats in their effort to overhaul the nation's health-care system came from the CBO. According to the CBO, bills put forth by the House and the Senate Finance Committee would cost \$1 trillion and \$1.6 trillion, respectively. The CBO also projected that the House bill would [increase the federal deficit](#) by \$239 billion.

But after the August recess, scores for the various reform proposals improved markedly. Not only were they cheaper, requiring less total spending, they were judged by the CBO to result in net reductions to the deficit. What happened?

In large part, the answer is that Democrats became more skilled at manipulating the CBO's scoring process. Indeed, they have become so skilled at getting what they want out of the CBO that the office has taken to including strongly worded warnings that the various bills' real costs may not actually match their estimates.

In the House, Democrats [shifted](#) an expensive, unpaid-for "fix" to doctor's Medicare reimbursement rates over to a separate bill. And in the Senate, they [backloaded the spending](#) so that its full effects would not be felt in the 10-year window that CBO scores. In the latest Senate bill, 99 percent of the spending would occur in the last six years of the budget window.

Nor do the scores count the cost of state level Medicaid expansions—\$25 billion in the Senate's

bill—or of the private sector mandates it imposes, which, [according to Michael Cannon](#), a health policy analyst at the Cato Institute, could add an additional \$1.5 trillion to the total.

The bigger issue is that in budgeting, there are multiple realities available: The various scores put forth by the CBO are based on what might be called “legislative reality”—a fictional world in which there are no changes to current law except the bill under consideration, and new legislation is executed to the letter. That means CBO scores are not permitted to reflect political reality—the understanding that what a law says Congress will do in the future is not necessarily what Congress will actually do.

Knowing this, Democrats have concocted legislation that ignores the relevant facts of political reality and instead skews legislative reality, which is based not on honest expectations but on the promises made in legislation, in their favor.

All of this ought to be remembered, of course, the next time that Ezra Klein [trumpets](#) a “verdict” from CBO.

UPDATE: More on this issue from [Brian Faughnan](#).

TNL



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